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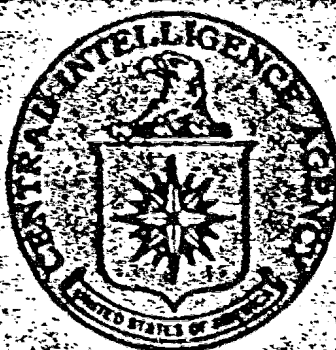
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NATIONAL INTELLIGENCE ESTIMATE

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THE BRITISH POSITION IN EGYPT



NIE-44

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# NATIONAL INTELLIGENCE ESTIMATE

## THE BRITISH POSITION IN EGYPT

NIE-44

The intelligence organizations of the Departments of State, the Army, the Navy, the Air Force, and the Joint Staff participated in the preparation of this estimate. All members of the Intelligence Advisory Committee concurred in this estimate on 11 October.

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## THE BRITISH POSITION IN EGYPT

### THE PROBLEM

To estimate the strategic significance of possible changes in the British position in Egypt and the Sudan.

### CONCLUSIONS

1. The present British base in Egypt is extremely important to Western defense of the Middle East and of the Suez Canal, and the West could not adequately compensate for its loss by the development of other bases in the area.

2. Continued Western control of this base is jeopardized by mounting Egyptian pressure for the withdrawal of British forces and for Egyptian control of the Sudan. This pressure has now resulted in Egyptian steps to denounce the Condominium Agreements of 1899 and the Anglo-Egyptian Treaty of 1936.

3. Unless the Egyptians can be induced to negotiate further, it is probable that Egypt will initiate political action to secure the removal of British troops and adopt administrative and economic measures designed to make the position of the British forces untenable.

4. As a result, a bitter struggle might develop in which the British would face an eventual choice between (a) abandoning the base and (b) openly defying Egyptian efforts to expel them. In the latter case serious civil disorders might break out, the consequences of which cannot now be foreseen. In either case a protracted dispute between the British

and Egyptians would probably result in a deterioration of Western relations with the Arab world.

5. It is possible that a settlement of the base problem might be achieved by means of a multilateral arrangement under which the base would be turned over to a Middle East defense organization of which Egypt was a full member.

6. However, in view of the fact that even under a multilateral defense arrangement, British troops would probably have to comprise a significant part of the garrison force in Egypt, there is grave doubt that a satisfactory compromise of the base issue can be reached unless, at the least, substantial concessions are made to the Egyptians on the Sudan issue. The Egyptians will make every effort to link the two issues because they realize that their bargaining position on the Sudan is weak.

7. Failing agreement, the British have the capability of maintaining their present position in the Suez base. The UK could be expected to refrain from major military action except in case of extreme provocation in either the base area proper or the Canal area in general.

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## DISCUSSION

### Strategic Significance of British Bases in Egypt

8. The present crisis in Anglo-Egyptian relations is of particular importance to the US and the West because it involves the keystone of Western defense capabilities in the Middle East—specifically, the maintenance of a base in the Suez Canal area for the deployment and support of defending forces for the Middle Eastern area. Moreover, regardless of the outcome, a protracted Anglo-Egyptian dispute will probably affect adversely the relationship of the Western Powers to other Middle Eastern countries.

9. The existing base is of unique value for the following reasons. It is sufficiently removed from the Soviet orbit to be reasonably secure against Soviet surprise attack. It is so located that it could be readily reinforced to resist an overland campaign. At the same time, it can support long-range bombers capable of attacking key areas in the USSR. It is so located as to provide protection for the important communications centering on the Suez Canal. It is supported by a partially industrialized area with adequate internal communications (including ports and airfields), and a large, if not highly-skilled, labor force. Finally its facilities and stores are already well-developed and are even now capable of supporting military operations. These facilities and stores are easily expandable.

10. If the Egyptians gained control of the base, it would almost certainly deteriorate rapidly. Even in the unlikely event that it were adequately maintained, Western forces would not be able to establish themselves therein without considerable loss of time.

11. No other bases in the Middle East-Eastern Mediterranean area, either individually or collectively, could compensate for the loss by the West of control of this base, even if such other bases were further developed. Furthermore, it is questionable whether the UK would be prepared or able to assume the expense and face the political difficulties involved. A valuable base area could be established in Israel

by developing the port of Haifa and utilizing Israel's pool of labor, but would be more vulnerable to attack than Egypt and could not be used as a major staging area. A base in Libya, while less vulnerable than an Egyptian base, would be too far west to support effectively the defense of the Middle East. Furthermore, the use of such a base would be limited by inadequate port facilities, poor internal communications, lack of labor supply, and the generally undeveloped nature of the country. Bases in Iraq and Jordan would not only suffer from the same disadvantages but would also be much more vulnerable to Soviet attack. Aden and Cyprus are suitable only as specialized bases.

### The Present Situation

12. The British defense position in the Suez Canal area and the British authority in the Sudan, which are presently governed by the Condominium Agreements of 1899 and the Anglo-Egyptian Treaty of 1936, have been under steadily increasing pressure from Egypt since the end of World War II. Negotiations for revision of the Treaty, under way for the past five years, have resulted in deadlock. The Egyptian Cabinet has now submitted for parliamentary approval four decrees providing for denunciation of these agreements. Such denunciation will greatly reduce the possibility of a negotiated settlement between Egypt and the UK and might eventually oblige the UK to choose between withdrawal of its troops and open defiance of Egyptian efforts to expel them.

13. The Treaty of 1936 undertook to establish a permanent alliance between Egypt and the UK and authorized the UK to maintain in the vicinity of the Canal 10,000 land forces and 400 pilots, together with necessary ancillary personnel for administrative and technical duties. The Egyptian Government has expressed willingness to permit British troops to use Egypt as a base in time of war, but objects to their presence in Egypt in time of peace. It is expected that Egypt will demand that the British withdraw their forces imme-

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diately on Egyptian denunciation of the Treaty.

14. The British Government considers that its forces and installations in Egypt are maintained not only on behalf of the British Commonwealth but also in the general interest of the West and of the Middle Eastern countries. The British hold that Egypt is the key to the Middle East, that it is certain to be an objective for any aggression against that area, and that it is irreplaceable as a base. They have maintained that to be effective in time of war these defense arrangements require the peacetime presence of British forces to insure the readiness of bases and equipment. While the UK has offered to withdraw all its land forces from Egypt by 1956, it has insisted in return that British civilians be permitted to maintain the base installations on the Canal and that RAF units be permitted to remain permanently as part of a joint Anglo-Egyptian air defense organization.

15. With regard to the Sudan, the Treaty of 1936 reaffirms the provisions of the Condominium Agreements of 1899. The latter provided that the Governor-General (who is appointed by the King of Egypt on the recommendation of the British Government) should continue to exercise his powers on behalf of both Egypt and the UK. In fact, the UK exercises effective control of the Sudan administration. Egypt deeply resents the continuing control by the British of territory once held by Egypt. Furthermore, it fears that any foreign control of the Sudanese portion of the Nile might subject it to diversion of Egypt's vital water supply. The Egyptian Government demands the end of the present British position in the Sudan and the union of the Sudan with Egypt under the Egyptian crown.

16. The British, on the other hand, refuse to permit what they regard as one of their most successful colonial enterprises to be ruined by anticipated Egyptian incompetence. They reject Egypt's claim and maintain that the Sudanese, who are making progress toward self-government, have no desire to come under Egyptian control and should have a major voice in any decision concerning their future status.

17. The UK has tried on several occasions to separate the Sudan issue from the base problem, largely on the theory that while it was prepared to make concessions on the base problem for the sake of an agreed settlement, it was not prepared to make substantial concessions on the Sudan issue. Egypt on the other hand, has consistently joined the issue of British evacuation from Egypt with the Sudan question, because it realizes that its bargaining position on the Sudan issue alone is weak and because it regards the basic objective of freeing Egypt from British influence to be involved in both questions.

18. Anglo-Egyptian relations are further complicated at the present time by conflict arising from Egyptian restrictions on the shipment through the Canal of strategic materials, primarily oil, destined for Israel and by British desire to have the issue brought before the UN Security Council. Although this problem has no direct bearing on the Treaty issue, the friction it engenders reduces still further the possibility of compromise by either side on the defense issue or the Sudan question.

### Major Factors Affecting Egypt's Attitude

19. Egyptian nationalism, which pervades nearly all the politically conscious elements of the population, is a dynamic factor working against compromise in negotiations with the British. Public opinion in general has become greatly inflamed as a result of nationalist agitation. As expressed through the press, in Parliament, in public demonstrations, and in statements by Egyptian leaders, popular feeling makes it almost impossible for the government to surrender, at least openly, its position with respect to the questions at issue with the British. Political leaders are exposed to the danger of assassination by extremists if they attempt to act counter to nationalist demands. It is highly doubtful whether any Egyptian government would dare to pursue a policy less nationalistic than that of the present government.

20. Sentiment throughout the Arab world has the effect of reinforcing the Egyptian Government. The Arab countries are hypersensitive regarding foreign political or economic

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influence. Consequently, the press and the governments of these countries tend to side with Egypt in its conflict with the UK. The binding factor in all Middle East nationalist movements, whether economic or political, is common opposition to the same imperial power—Britain. Hence the prevalence of the slogan, "get the British out."

21. In Egypt, as in the rest of the Middle East, fear of World War III and doubt whether the West would in fact defend the area against Soviet attack has led to the growth of neutralism as a possible avenue of escape from involvement in the East-West conflict. Neutralist feeling thus reinforces the demands for British evacuation from Egypt.

22. The extent to which the Egyptian Government might reduce its demands would depend at least in part on its estimate of British will and power to defend the present position by force and on its estimate of the probable attitude of the US. The Egyptians undoubtedly interpret the complete British withdrawal from the Iranian oil industry as an indication that a determined Egyptian stand will be more fruitful than appeals on legal or moral grounds and as an indication that the US is unwilling to support the UK in the use of force. Egypt may hope that the US will support its national aspirations and probably expects that the US will use its influence to restrain the British from using force.

#### Major Factors Affecting the British Attitude

23. The British refusal to turn over the Sudan and the Suez base to Egypt is based on a combination of strategic and domestic considerations.

24. Convinced of the strategic importance of the Canal area to Middle East defense and Commonwealth communications, the British hold that capitulation to Egyptian demands would gravely weaken Western defense. While willing to share with Egypt and other powers in organizing Egyptian defenses, the British have no confidence in Egypt's capacity to defend itself.

25. Concern for prestige has hardened the British position. The British fear that bow-

ing to nationalist pressure in Egypt will compound their difficulties elsewhere, not only in the Middle East but also in other areas where they are confronted with nationalist feeling.

26. The UK's attitude on the Sudan issue is determined by moral as well as strategic considerations. On the moral side, the British believe that they have an obligation to the Sudanese and emphasize the economic and political progress which has taken place under British administration. This attitude has been reinforced by the conviction that the Egyptians would exploit the Sudanese and that the Sudan would suffer economically and politically. Strategically, control of the Sudan bolsters the British defensive position in the Middle East and Africa. The Sudan is valuable to the UK as a communications link, especially by air, and in a general war could provide depth to the defense of the Suez Canal and East Africa areas.

27. The UK's sensitivity about its prestige and strategic position in the Middle East has been heightened by the political situation in Britain itself. Conscious of its political weakness, the Labor Government is anxious, particularly on the eve of national elections, to avoid further criticism of its conduct of foreign affairs. The British public, which is making sacrifices in order to preserve as much as possible of Britain's world position, would resent policies which involved further surrender of positions or abandonment of responsibility for subject peoples like the Sudanese. Although Laborites, particularly the extreme left, are somewhat more sympathetic than the Conservatives towards nationalist aspirations, in the case of Egypt the view that right and reason are on the British side is common to the major parties. Furthermore, the British refuse to admit that the Middle Eastern countries should be permitted unilaterally to default on their treaty obligations.

28. Many British leaders, Conservative and Labor alike, tend to discount Egyptian demands on the theory that Egyptian nationalist agitation is largely an artificial creation of ambitious politicians and a venal press, and is designed primarily to divert public attention from growing domestic grievances. Furthermore, the view is prevalent in Britain

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that Egyptian politicians will, as in the past, respond to firmness, particularly a show of force. In this connection, the British believe that maintenance of the Western defense position in the Middle East requires complete US support of the British policy in Egypt. The British believe, moreover, that the Egyptian Government's action in seeking abrogation at this time stems from a desire to obtain domestic political benefits in anticipation of a Middle East Command offer.

#### Probable Future Developments

29. In submitting legislation for denunciation of the Treaty of 1936 and the Condominium Agreements of 1899, the Egyptian Cabinet has undertaken the first major step in a policy designed to secure the withdrawal of British troops from Egypt and to end British control of the Sudan. It will be extremely difficult for any Egyptian government to retreat from the policy to which the present Egyptian Cabinet has committed itself. The cabinet enjoys strong popular support, and no other leadership has a sizeable following. The King cannot appoint a more conciliatory cabinet without appearing to use his royal powers to contravene national aspirations. While Egypt's leaders, and particularly King Farouk, probably have qualms about initiating a course of action which might lead to hostilities between Egyptian and British forces or to demonstrations and violence which might be turned against their own property and persons, there is no apparent way in which they can reverse the present trend of events.

30. Egyptian denunciation of the Treaty of 1936 will of itself have little immediate effect on the British military establishment in the Canal area. It will, however, provide the Egyptians with a pretext for declaring the presence of British forces to be illegal and for enacting military and administrative measures against them. Denunciation of the Treaty of 1936 will also enable Egypt to deny any further obligation to grant assistance and immunity to the British forces, to provide facilities and access, and to construct and maintain roads and railway lines for them.

31. After denouncing the Treaty, the Egyptian Government will probably not take immediate action to expel the British forces but instead will await British reactions or possibly appeal to the UN. If it gains nothing by waiting, it will probably initiate political action to secure the removal of British troops and adopt a series of administrative measures to isolate and inconvenience them. Such measures might include:

a. Forbidding Egyptian nationals to work for the British forces, a measure affecting the approximately 60,000 Egyptian laborers so occupied at present;

b. Interfering with British shipping through the Canal;

c. Denying port facilities to ships carrying supplies to the British forces;

d. Ordering the exclusion of British forces from Egyptian controlled ports, including Port Said and Suez;

e. Denying the use of Egyptian currency for British military expenditures;

f. Forbidding traders and contractors to deal with the British forces;

g. Forbidding or delaying the movement of British military personnel within Egypt;

h. Encouraging non-cooperation of Egyptians with the British forces by intimidation and pressure; and,

i. Instigating local sabotage.

32. In reprisal, the UK could impose punitive sanctions against Egypt. It could reduce white oil (gasoline and kerosene) supplies to Egypt and impose financial restrictions on Egyptian trade. Such restrictions, while they would damage the important British cotton industry, would also have a serious effect on the Egyptian economy. Other non-military measures which the British might employ against Egypt include the withdrawal of such British nationals as are still serving in various technical posts in the Egyptian Government and industry, and the severance of trade between Egypt and the Sudan. Such measures would probably damage the Egyptian economy and aggravate the economic stringency which already exists. Although the Egyptian Government, arming itself with emergency powers, could probably maintain

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control of the situation, it is possible that social unrest and economic misery might lead to violent attacks against the regime, the outcome of which cannot now be foreseen.

33. It is unlikely that non-military pressure by the British would induce the Egyptian Government to yield. The application of punitive measures by the British would undoubtedly arouse resentment in all the Arab countries and might make the Egyptian Government even more uncompromising.

34. The UK, through its control of the barges in the Sudan, could seriously interfere with the normal flow of Nile water and thus deal a severe blow to the Egyptian food supply. It is unlikely, however, that the British would employ such a measure in view of the fact that it would do irreparable damage to Anglo-Egyptian relations, would provoke humanitarian indignation throughout the world, and would tend to vindicate Egypt in its demands for control of the Sudan.

35. The Egyptians would almost certainly take no major military action against the British positions in the Canal area, although Egyptian troops might well be used to man checkpoints and might even seize certain isolated installations. The Egyptian Government's chief concern would probably be with internal security; consequently, the Egyptian forces would probably be kept in reserve to support the police in case of demonstrations and disorders.

36. The UK also could be expected to refrain from major military action except under extreme provocation in either the base area proper or the Canal area in general. The British would probably feel justified in taking major military action in the event that the Egyptians interfered seriously with British shipping through the Suez Canal or in the unlikely event that Egypt attempted to expel the British garrison by force. Under such circumstances, the British could and would turn back any Egyptian attack and might also seize control of the entire Canal zone. Although the British could swiftly seize control of Egypt, a unilateral British resort to force would accentuate hostility toward the British throughout the Arab

world, might severely strain British relations with Pakistan and India, and might well lead to censure by the UN. In the absence of an imminent threat of general war, the UK is unlikely to risk such consequences.

37. It is unlikely that the UN could resolve the conflict between the UK and Egypt. The Security Council was unable to agree on any resolution when Egypt submitted the issue to it in 1947, and the elements have not changed substantially since then. The British have been consistently averse to bringing the UN into the picture. While Egypt might try another appeal to the Security Council, it would do so not so much in the hope of a favorable decision as with the expectation of gaining propaganda advantage in preparation for subsequent unilateral action against the British.

38. The recent decision to include Greece and Turkey in NATO and the prospective establishment of a Middle East Command provide an opportunity for a fresh approach to the problem. Under this approach, Egypt will be asked to grant base rights not to the UK but to a Middle East defense grouping (including the UK) of which Egypt itself would be a member.

39. It is doubtful that a result satisfactory to both Egypt and the UK could be achieved through a multilateral approach. Before agreeing to the establishment of a regional defense system, the Egyptians would require assurances that the 1936 Treaty would be abrogated and that a settlement of the Sudan satisfactory to Egypt would be reached. In the actual negotiations concerning a regional defense force, they would almost certainly demand that Egyptian forces be extensively equipped by the West so that Egypt could fill its new role; that the new defense forces be truly international in character; and that the base area be under Egyptian command. The UK would probably agree to abandon the 1936 Treaty and to make limited concessions on the administration of the Sudan. The UK would be also willing to share responsibility for the maintenance of the base area with other powers and to give Egypt a nominal share in the command, but it would certainly reject full Egyptian control over the Sudan

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and even under a multilateral defense arrangement would insist on the leading part in control of the Suez base.

40. In view of the likelihood that, even under a multilateral defense arrangement, British troops would be expected to comprise a signifi-

cant part of the garrison, there is grave doubt that a satisfactory compromise of the base issue can be reached unless, at the least, substantial concessions are made to the Egyptians with respect to the Sudan.

APPENDIX

*British Military Forces in Egypt*

(1 October 1951)

1. Number of troops (2 Brigs.; 4 Regts.)	27,400*
2. Aircraft	148
a. Jet fighters	81
b. Conventional fighters	13
c. Transports	40
d. Reconnaissance	14

\* An additional 19,000 British troops are stationed in Cyprus, Libya, Jordan, the Sudan, Eritrea, and Aden.

*Egyptian Military Forces*

(1 October 1951)

1. Number of troops	73,000
a. Army (1 Div.; 9 Brigs.; 4 Regts.)	60,000
b. Royal Frontier Corps	6,400
c. Royal Bodyguard	1,600
d. Coast guard	4,000
e. Territorial Army	1,000
2. Aircraft	290
a. Jet fighters	29
b. Conventional fighters	46
c. Light bombers	17
d. Transports	28
e. Communication, training and liaison	170
3. Naval vessels	57
a. Destroyers	2
b. Smaller craft	9
c. Minor combat vessels	46

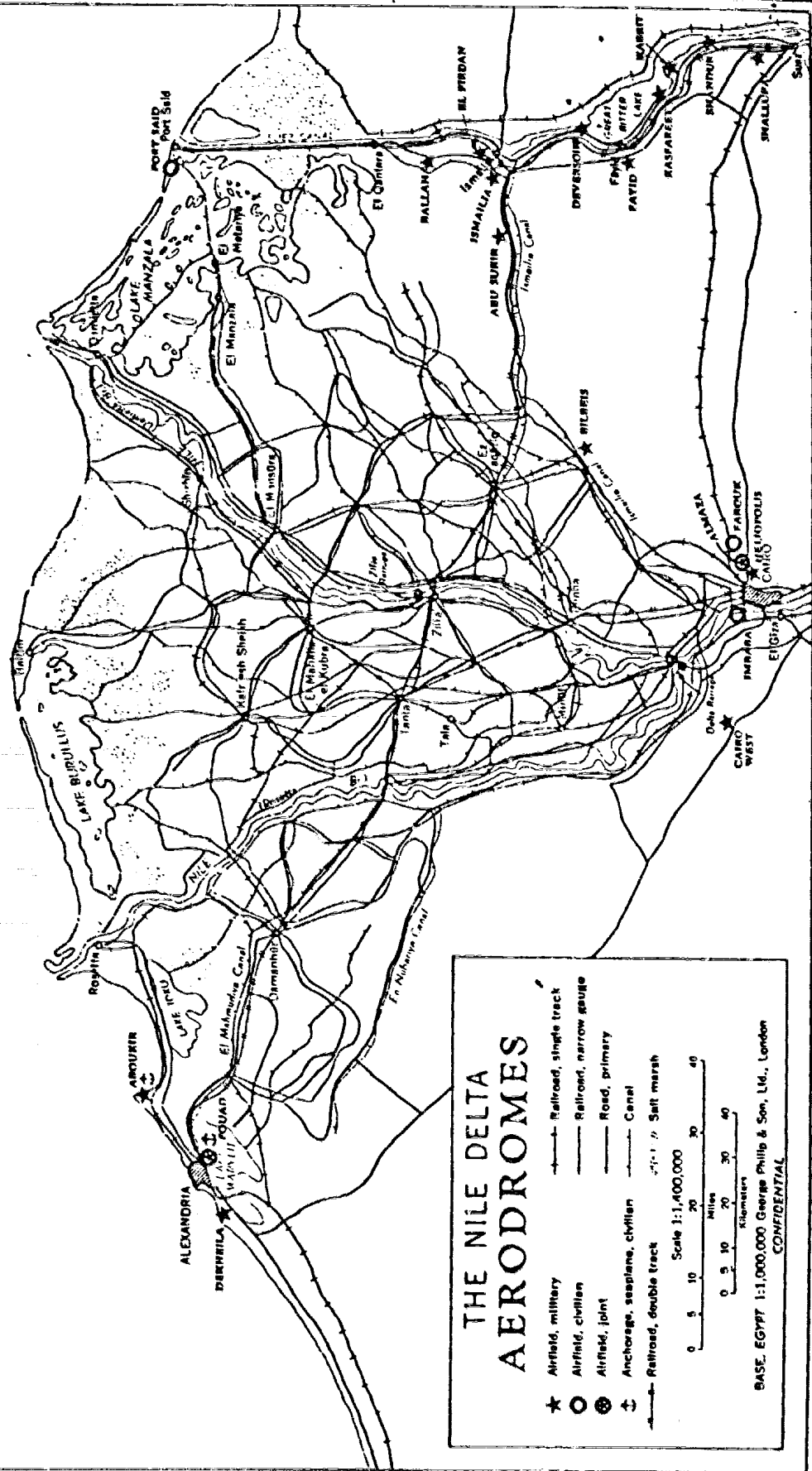
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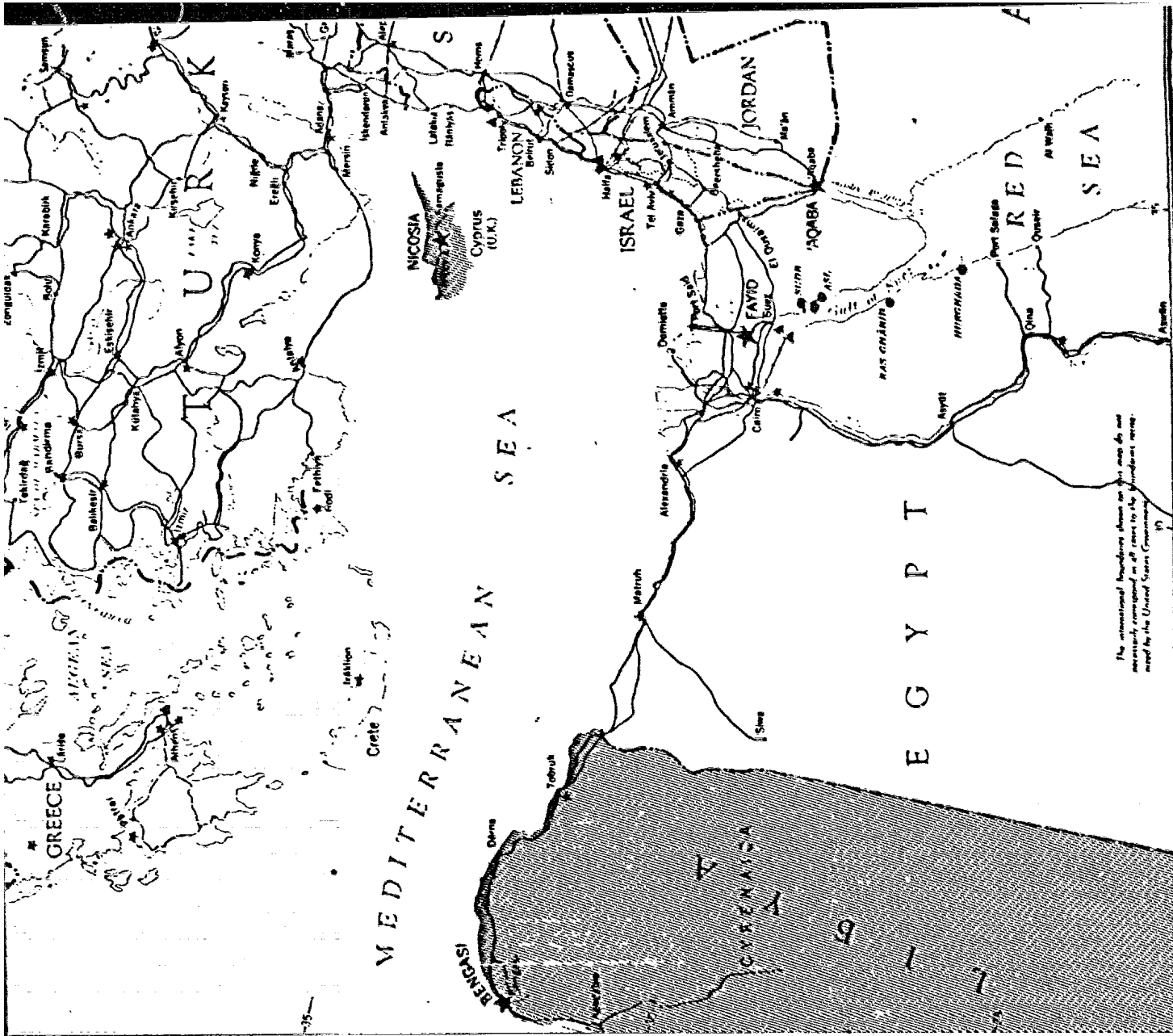
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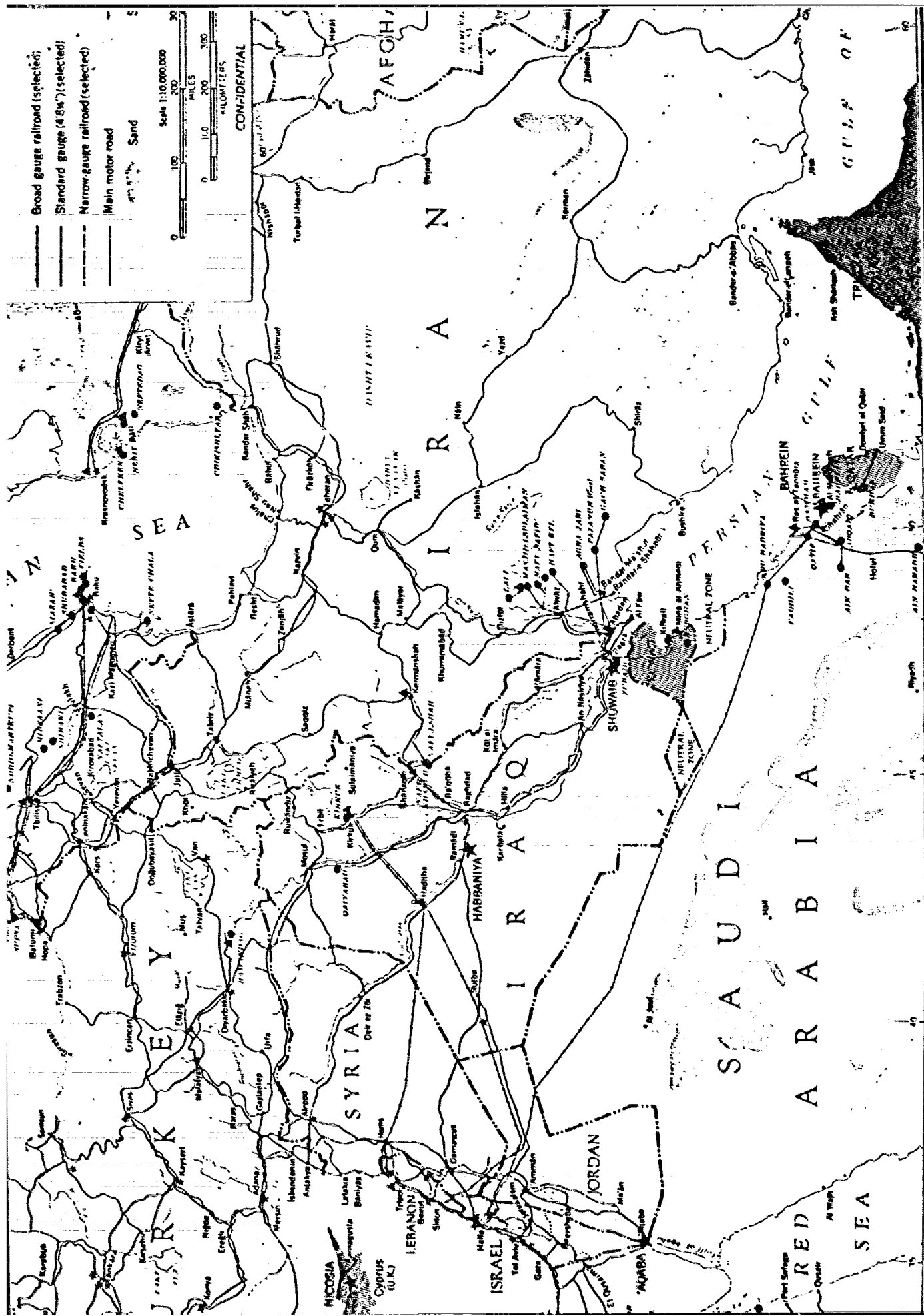


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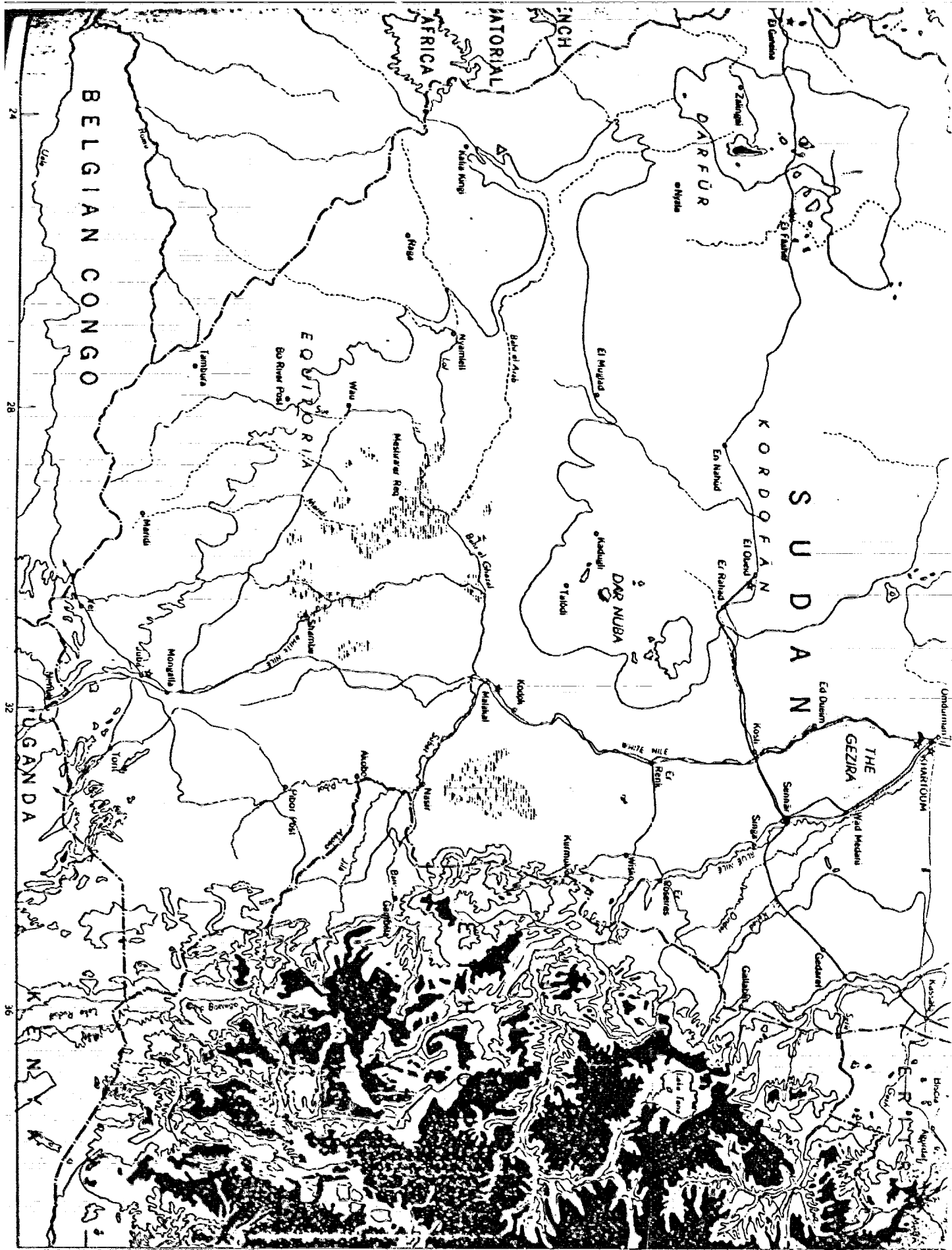


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